

DECEMBER 7, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON DECEMBER 7, 1981 AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

METALLIFEROUS MINERAL LEASE APPLICATIONS - APPROVED *JB*

Upon recommendation of Mr. Blake, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 39576    T10S, R4W, SLM    Tooele  
Energy Reserves Group, Inc.    Section 30: Lots 3, 4    79.92 acres  
1746 Cole Blvd.  
Suite 250  
Golden, CO 80401

Min. Lease Appl. No. 39577    T6N, R19W, SLM    Box Elder  
Energy Reserves Group, Inc.    Section 36: All    640.00 acres  
1746 Cole Blvd.  
Suite 250  
Golden, CO 80401

Min. Lease Appl. No. 39578    T11S, R2W, SLM    Utah  
Karen B. Mackay    Section 36: Lots 7, 13, 14    81.97 acres  
6311 Margray Drive  
West Jordan, UT 84084

CREDIT: \$1.00 (incorrect acreage)

AMENDMENT OF MINUTES, SEPTEMBER 14, 1981, MLA 39338 OG&H *JB*

The above numbered lease was awarded to Trigg Drilling Company, Inc., 718 - 17th Street, Suite 2122, Denver, CO 80202, for 1588.99 acres. It has been discovered that mineral rights on part of this acreage, namely:

<u>T12S, R12E, SLM</u>	Carbon
Section 3: SE $\frac{1}{4}$ SW $\frac{1}{2}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$	440.00 acres
Section 10: NE $\frac{1}{4}$ NE $\frac{1}{4}$	
Section 11: NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	

were conveyed out of State ownership with Contract of Sale B-497, on March 24, 1958.

Upon recommendation of Mr. Blake, the Director approved the deletion of this 440.00 acres from the lease and ordered that the applicant be refunded \$26,342.80 (prorated at \$59.869999 per acre offered on the simultaneous filing of August, 1981) advance rentals bid on the deleted portion.

Remaining acreage in this lease will be 1148.99.

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PARTIAL CANCELLATION OF ML 36040 OG&H *CB*

The above numbered lease, as approved August 7, 1978, includes the following lands on which oil & gas is reserved to the United States.

T42S, R16W, SLM	Washington
Section 11: $W\frac{1}{2}SW\frac{1}{4}$ , $SE\frac{1}{4}SW\frac{1}{4}$	160.00 acres
Section 14: $NW\frac{1}{4}NW\frac{1}{4}$	

Upon recommendation of Mr. Blake, the Director approved the partial cancellation of ML 36040 and ordered that the lessee shown below be refunded \$640.00 paid in advance rentals.

The Anschutz Corporation  
1110 Denver Club Building  
Denver, CO 80202

Remaining acreage in this lease is 1757.68.

CORRECTION OF MINUTES, AUGUST 24, 1981, MLA 39308 OG&H *CB*

The above numbered lease was previously rejected as to the following lands, with the reason that oil & gas was reserved to the United States.

T2S, R24E, SLM	Uintah
Section 17: $SE\frac{1}{4}NW\frac{1}{4}$ , $SE\frac{1}{4}NE\frac{1}{4}$ , $NE\frac{1}{4}SE\frac{1}{4}$	240.00 acres
Section 28: $SE\frac{1}{4}SW\frac{1}{4}$ , $W\frac{1}{2}SE\frac{1}{4}$	

It has been discovered that phosphate only was reserved to the United States on these lands.

Upon recommendation of Mr. Blake, the Director approved these lands for lease under ML 39308. Previously ordered refund of \$240.00 advance rental on this acreage should not be made. The lease will then have total acreage of 998.36.

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REQUEST FOR RELEASE OF MINERAL RIGHTS - CONTRACT OF SALE Y-28 *CB*

The San Juan County Conservancy District, Blanding, Utah, has requested that the Division of State Lands release the mineral rights under the  $NW\frac{1}{4}NW\frac{1}{4}$  and the  $S\frac{1}{2}NW\frac{1}{4}$  of Section 12, T36S, R22E, SLM, down to a depth of 400 feet. These lands were acquired by the State of Utah by foreclosure and were subsequently resold to William R. Young, Blanding, Utah, and a quit-claim deed was issued to Mr. Young on June 8, 1950. This quit-claim deed contained a reservation of all coal and other minerals in these lands to the State of Utah. The San Juan Conservancy District has acquired the surface rights to this property as part of the lands that will be used for the construction of the Recapture Creek Dam and Reservoir. They desire to control the mineral rights, especially on the surface, to prevent any interference with the construction and operations of this project. There has been no definite loss suffered by the State on the foreclosure and subsequent resale of these lands. Therefore, in accordance with the Board's resolution of June 1981, and upon recommendation of Mr. Prince, the Director approved the sale of the mineral rights on these lands to a depth of 400 feet to the San Juan Conservancy District for the sum of \$500. This sale will be made subject to the rights of all present mineral lessees, but even under these leases no development will be permitted on the reservoir area of the Recapture Creek Dam and Reservoir.

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OIL AND GAS DRILLING BOND, ML 35869

Davis Oil Company, operator of the Gold Bar Unit, has submitted an oil and gas drilling bond to cover their operations under ML 35869. This lease is committed to the Gold Bar Unit.

This bond is in the amount of \$5,000. The surety is United States Fidelity & Guaranty Company, bond number 19-0130-11799-81-5. Upon recommendation of Mr. Prince, the Director accepted this bond to cover operations by Davis Oil Company on ML 35869.

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REQUEST FOR APPROVAL OF THE CLARK VALLEY UNIT

Hunt Oil Company, operator of the Clark Valley Unit has submitted this unit for approval by the State of Utah. The Clark Valley Unit is located approximately 5 miles east of Price on the northeast plunge of the San Rafael Swell. This unit contains 24,512.55 acres of which 17,659.87 acres or 72.04 percent are Federal lands 3,061.60 acres or 12.49 percent are State lands and 3,791.08 acres or 15.47 percent are Patented lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 500 feet of the Deseret Formation, but not to exceed 12,500 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following are the State of Utah leases in this unit:

ML 28108	Natural Gas Corporation of California et al
ML 28211	Natural Gas Corporation of California et al
ML 28306	Natural Gas Corporation of California et al
ML 30679	Marvin Wolf

Marvin Wolf, lessee of ML 30679 will not join the unit at this time. The other leases have been committed to the unit.

Upon recommendation of Mr. Bonner, the Director approved the above captioned unit.

REQUEST FOR APPROVAL OF THE RANGE CREEK UNIT

Gulf Oil Corporation, operator of the Range Creek Unit has submitted this unit for approval by the State of Utah. The Range Creek Unit is located approximately 22 miles southeast of the town of Sunnyside, and is situated along the structural transition between the Uncompahgre Uplift and the northern margin of the Paradox Basin. This unit contains 15,625.01 acres of which 12,984.21 acres or 83.10 percent are Federal lands and 2,640.80 acres or 16.90 percent are State Lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 950 feet of the Leadville Formation, but not to exceed 13,500 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following are the State of Utah leases in this unit:

ML 28009	Gulf Oil Corporation
ML 28170	Gulf Oil Corporation
ML 28171	Gulf Oil Corporation
ML 34268	Gulf Oil Corporation
ML 38634	Gulf Oil Corporation

These leases have been committed to the unit.

Upon recommendation of Mr. Bonner, the Director approved the above captioned unit.

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SURFACE BUSINESS MATTERS

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RIGHTS OF WAY

RIGHT OF WAY No. 2279

Moab Police Department, 121 East Center St., Moab, UT 84532 requests an easement for a single lane dirt road, 44' wide and 57 rods in length across the following State lands:

Township 26 South, Range 22 East, SLB&M  
Section 34: NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$  San Juan County

The initial payment is \$5.50 per rod totaling \$313.50, plus a \$20.00 application fee, totaling \$333.50; school fund and a \$20.00 fee every third year beginning January 1, 1985.

Upon recommendation of Mr. Pratt, the Director approved the above captioned Right of Way.

RIGHT OF ENTRY NO. 2278

Sefel Geophysical, 201 South Cherokee St., Denver, CO 80203 requests permission to conduct a seismic survey - vibroseis method across the following State lands:

Township 37 South, Range 23 East, SLB&M      Line 1,2  
Section 36      San Juan County

Township 37 South, Range 24 East, SLB&M      Line 2  
Section 32      San Juan County

The fee for a seismic survey - vibroseis method is \$200/mile @ 3 miles totaling \$600.00, plus a \$50.00 application fee totaling \$650.00; school fund.

Upon recommendation of Mr. Pratt, the Director approved the above captioned Right of Entry with a March 1, 1982 expiration date.

MINUTES CORRECTION

RIGHT OF WAY NO. 2209

In the August 31, 1981 Director's Minutes, the right of way for Richard O. Cozzens, 901 East Oak Street, Moab, UT 84532, the land description was inadvertently listed as the following:

Township 26 South, Range 22 East, SLB&M  
Section 6: SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$  Grand County

The correct legal description should have read as follows:

Township 26 South, Range 22 East, SLB&M  
Section 6: SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$  Grand County

Upon recommendation of Mr. Pratt, the Director approved the correction of the above captioned minutes.

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SPECIAL USE LEASE AGREEMENT *ppp/kw*

Murray Zufelt, P. O. Box 156, LaSal, UT 84530 has submitted an assignment of their Special Use Lease Agreement No. 393 to Kenneth H. Partridge, Box 182, LaSal, UT 84530-0182.

Upon recommendation of Mr. Pratt, the Director approved the above captioned Special Use Lease Agreement.

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AMENDED RIGHT OF ENTRY 2187 (Extension of Time) *PBW*

Mr. B. G. Randolph, Project Manager, Dames and Moore, 1626 Cole Boulevard, Golden, Colorado 80401, in behalf of Sandia Laboratories has requested an extension of time for Right of Entry 2187. The original expiration date was September 1, 1981. This should have been September 1, 1982. They have also had problems getting power to the site and since they need to be on the property for one full year are requesting the extension to December 31, 1982.

Upon recommendation of Mr. Wilcox, the Director approved the extension of time for the above captioned Right of Entry.

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RIGHTS OF WAY

RIGHT OF WAY NO. 2281 *KSC myl*

New Escalante Irrigation Co., Escalante, Utah, 84726, requests an easement for a 30" water pipeline 90.91 rods long and 25 feet, 12.5 feet on either side, of the centerline to wit:

Township 35 South, Range 2 East, SLB&M  
Section 11: NW $\frac{1}{4}$ SE $\frac{1}{4}$  Garfield County

The initial payment is \$5.50 per rod equaling \$500.00, plus a \$20.00 application fee, totaling \$520.00; School of Mines fund, and a \$10.00 fee every third year beginning January 1, 1985.  
Upon recommendation of Mr. Carter, the Director approved the above captioned Right of Way.

RIGHT OF WAY NO. 2283 *KSC myl*

Desco Distributing, 555 North Bluff Street, St. George, Utah 84770, requests an easement for an electrical power line - buried, 317.82 rods long and 30 feet, 15' on either side, of the centerline to wit:

Township 43 South, Range 16 West, SLB&M  
Section 26: Washington County  
Section 35:

A 15' wide easement beginning at Mountain Bell pedestal at the intersection of Utah State Highway west right-of-way fence and south line of SE $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 26, T43S, R16W, of Salt Lake Meridian as shown on sheet 5 of Utah State project I-15-1 (21)0 and proceeding in a southwesterly direction, 21'-23' off right-of-way fence line thru said Section 26 and Section 35 as shown on sheets 4 and 5 of said project I-15-1 (21)0 for a distance of 5,244' more or less to the east line of Section 34.

The initial payment is \$5.50 per rod equaling \$1748.01, plus a \$20.00 application fee, totaling \$1,768.01; school fund and a \$10.00 fee every third year beginning January 1, 1985.  
Upon recommendation of Mr. Carter, the Director approved the above captioned Right of Way.

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RIGHT OF ENTRY NO. 2280

KSC: mjl

Pacific West Exploration Co., c/o Paul J. Faulkner, P.O. Box 1308, Cedar City, Utah 84720, requests permission to conduct a seismic survey - vibroseis method across the following State lands:

Township 35 South, Range 15 West, SLB&M  
Section 11: SE $\frac{1}{4}$ SE $\frac{1}{4}$  Iron County  
Section 12: NE $\frac{1}{4}$   
Section 14: S $\frac{1}{2}$   
Section 15: SE $\frac{1}{4}$   
Section 21: S $\frac{1}{2}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$   
Section 22: N $\frac{1}{2}$   
Section 29: W $\frac{1}{2}$   
Section 30: SE $\frac{1}{4}$   
Section 31: NW $\frac{1}{4}$

The fee for a seismic survey - vibroseis method is \$200.00 per mile for 5.1136 miles equaling \$1,022.72, plus a \$20.00 application fee totaling \$1,042.72; school fund.

Upon recommendation of Mr. Carter, the Director approved the above captioned Right of Entry with a March 31, 1982 expiration date.

RIGHT OF ENTRY NO. 2282

KSC: mjl

C.G.G. Land Seismic Operations, c/o Mack Hessler, Three Park Central, Suite 575, 1515 Arapahoe Street, Denver, CO. 80202, requests permission to conduct a seismic survey - suspended charge method across the following State lands:

Township 34 South, Range 8 West, SLB&M  
Section 16: SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  Iron County  
Section 36: SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$

The fee for a seismic survey - suspended charge method is \$200.00 per mile for 1 mile equaling \$200.00 plus a \$50.00 application fee totaling \$250.00; school fund

Upon recommendation of Mr. Carter, the Director approved the above captioned Right of Entry with a March 31, 1982 expiration date.

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GRAZING PERMIT ADJUSTMENTS

GP #'s 21140, 21141, 21142, 21143, 21144

The Division has received verification from the BLM Fillmore office of the exchange of use offered on the above numbered permits. These permits need to be adjusted to 6 cents/acre to correspond to this use. Also GP #'s 21142, 21143 & 21144 were overpaid in 1981 and this overpayment needs to be credited to the 1982 billing.

Upon recommendation of Mr. Brown, the Director approved the above captioned Grazing Permit adjustments.

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REQUEST FOR REFUND *PM by*

The national Park Service is requesting a refund in the amount of \$600.00, \$300.00 from rental and \$300.00 from Minimum Royalty from metalliferous minerals lease ML 25364. Transfer of this lease was made to the National Park Service however, the leasee continued making this rental and royalty payment to the State of Utah from 1976 through 1980.

Upon recommendation of Mr. Miller, the Director approved the above captioned refund.

<u>INTEREST RATES</u> <i>PM by</i>	<u>CURRENT RATE</u>	<u>YEAR AGO</u>
Prime Rate	15.50	17.75
Federal Funds	9.50	9.50
Discount Rate	12.00	12.00

  
RALPH A. MILES, DIRECTOR  
DIVISION OF STATE LANDS/FORESTRY

  
LESLIE M. WARNER, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209